

Company Number: 2426124

UNDERWATER MANAGEMENT ASSOCIATES LIMITED

Report and Financial Statements

For the year ended 31 December 2000



UNDERWATER MANAGEMENT ASSOCIATES LIMITED

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UNDERWATER MANAGEMENT ASSOCIATES LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements of the Company for the year ended 31 December 2000.

The Company has not traded during the year and has made neither profits nor losses.

The present members of the Board are Messrs P J Lynas and D S Parkes. Mr D S Parkes was appointed on 7 February 2001.

None of the Directors are due to retire from the Board under the provisions of the Company's Articles of Association. None of the Directors has (or has had) any beneficial or non beneficial interest in the share capital of the Company (or any subsidiary company of the BAE SYSTEMS group of companies). The Directors who held office at the end of the year had the following interests in the share capital of the Company's ultimate holding company, BAE SYSTEMS plc:

IN BAE SYSTEMS PLC

	At 31.12.99 Or Date of Appointment	At 31.12.00
Capital Amortising Loan Stock		
P J Lynas	792	792
Ordinary Shares of 2.5p each Fully Paid		
P J Lynas	594	-

	At 31.12.99 Or Date of App No.	Options Granted No.	Options Exercised	At 31.12.00 No.
Options in Respect of Ordinary Shares of 2.5p each Under the terms of the Executive Share Option Scheme				
P J Lynas	41,568	19,770	-	61,338

The options are exercisable between 2002 and 2010 at a subscription price between £3.54 and £4.21.

Under the terms of the SAYE Share Option Scheme

P J Lynas	-	1,103	-	1,103
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The options are exercisable in 2005 at a subscription price of £2.57.

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The middle market price of the holding company's ordinary shares on the London Stock Exchange was £4.10 on 31 December 1999. During the nine months ended 31 December 1999, the middle market prices of such shares on the London Stock Exchange ranged between a low of £3.43 and a high of £5.19.

In preparing the above report, the directors have taken advantage of special exemptions applicable to dormant companies.

By Order of the Board



D S PARKES
Director

Registered Office:
Warwick House
P O Box 87
Farnborough Aerospace Centre
Farnborough
Hampshire GU14 6YU
England

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing those accounts, the Directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985.

They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

UNDERWATER MANAGEMENT ASSOCIATES LIMITED

BALANCE SHEET

As at 31 December 2000

	Note	December 2000 £	December 1999 £
Current assets			
Amounts due from group undertakings		2	2
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Capital and Reserves			
Called up share capital	4	2	2
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- a) For the year ended 31st December 2000 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- c) The directors acknowledge their responsibility for:
- ensuring the company keeps accounting records which comply with section 221; and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The accounts were approved by the Board of Directors on 26th October 2001.



D S Parkes
Director

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2000

1 ACCOUNTING POLICY

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

2 OPERATING PROFIT

There was no profit/loss or other gains or losses in the year ended 31 December 2000 (period ended 31 December 1999 £nil).

3 DIRECTORS AND EMPLOYEES

As at 31 December 2000 no employees were employed by the company.

The Directors are full time executives of other Group Companies. They do not receive any remuneration for their services as Directors of the company and it is not practical to allocate their emoluments for other services.

4 CALLED UP SHARE CAPITAL

	Authorised	Issued
	£	£
Share Capital		
At 1 January 2000 and 31 December 2000		
Shares of £1 each fully paid	100	2
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5 ULTIMATE HOLDING COMPANY

The Company's ultimate parent company and controlling entity is BAE SYSTEMS plc, which is registered in England and Wales. The BAE SYSTEMS group is the only group of which the Company is a member for which group accounts are prepared. Copies of the accounts of BAE SYSTEMS plc are available from The Secretary, 6 Carlton Gardens, London, SW1Y 5AD.

Pursuant to the exemption granted by Financial Reporting Standard 8 "Related Party Disclosures", transactions with other undertakings within, and related parties of, the BAE SYSTEMS group have not been disclosed in these financial statements.